

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NORTH CAROLINA
GREENVILLE DIVISION**

IN RE:)	CASE NO.
)	
CAH ACQUISITION COMPANY, #1, LLC d/b/a Washington County Hospital,)	19-00730-5-JNC
)	
DEBTOR)	CHAPTER 11

**SUPPLEMENTAL RESPONSE TO BANKRUPTCY ADMINISTRATOR’S RESPONSE
TO INITIAL APPLICATION BY WALDREP LLP AS
CO-COUNSEL FOR THE TRUSTEE FOR ALLOWANCE OF INTERIM
COMPENSATION AND REIMBURSEMENT OF EXPENSES
[FEBRUARY 22, 2019 THROUGH MARCH 31, 2019]**

NOW COMES the Bankruptcy Administrator for the Eastern District of North Carolina (“BA”), and respectfully submits her supplemental response to the Initial Application By Waldrep LLP as Co-Counsel for the Trustee for Allowance of Interim Compensation and Reimbursement of Expenses [February 22, 2019 through March 31, 2019] (“Fee Application”); and, in support thereof, shows the Court the following:

1. On February 19, 2019, an involuntary Chapter 7 petition was filed on behalf of CAH Acquisition Company, #1, LLC d/b/a Washington County Hospital.

2. On February 22, 2019, Thomas W. Waldrep, Jr. of Waldrep, LLP was appointed as Chapter 7 Trustee [DE #14].

3. On February 27, 2019, the Trustee filed an application to employ his law firm, Waldrep, LLP, as attorney for the Trustee [DE #20]. On March 19, 2019, the Court entered an order employing Thomas W. Waldrep, Jr. of Waldrep, LLP as attorney for the Trustee [DE #40].

4. On March 15, 2019, the Court entered an order converting this case to one under Chapter 11 of the Bankruptcy Code [DE #28]. Within the same order, the Court appointed Thomas W. Waldrep, Jr. of Waldrep, LLP as Chapter 11 Trustee (“Trustee”).

5. On May 1, 2019, Mr. Waldrep, as attorney for the Trustee, filed the Fee Application [DE #195]. Through the Fee Application, Mr. Waldrep requests total attorney for trustee compensation in the amount of \$86,384.50 and total expense reimbursements in the amount of \$6,933.27.

6. On May 22, 2019, the BA filed an objection to the Fee Application outlining concerns about fees being charged for the performance of trustee duties as defined by 11 U.S.C. § 1106; and which accordingly should not be included within an application for compensation pursuant to 11 U.S.C. § 330. It is the position of the Bankruptcy Administrator that 11 U.S.C. § 326(a) governs the compensation for all actions performed with respect to typical duties of trustees. The Trustee, through a separate fee application, will be able to request a commission pursuant to 11 U.S.C. § 326 in relation to his duties as trustee.

7. Subsequent to the filing of her response, the BA provided a list of time entries to the Trustee's office that she believed represented trustee duties, and thus, should be removed from the Fee Application. A hearing on the matter was conducted on June 21, 2019 and the court held the matter open to allow the Trustee an opportunity to appear and be heard on the matter.

8. For the benefit of the court and the Trustee, the BA is attaching an amended list of questioned time entries as Exhibit A.

Respectfully submitted, this 24th day of June 2019.

/s/ Marjorie K. Lynch
Marjorie K. Lynch
Bankruptcy Administrator
434 Fayetteville Street, Suite 640
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CERTIFICATE OF SERVICE

I, Marjorie K. Lynch, of 434 Fayetteville Street, Suite 640, Raleigh, North Carolina, 27601, certify:

That I am, and at all times hereinafter mentioned was, more than eighteen (18) years of age.

That on this day, I served copies of the foregoing document electronically upon counsel of record.

I certify under penalty of perjury that the foregoing is true and correct.

Dated this 24th day of June 2019.

/s/ Marjorie K. Lynch
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Bankruptcy Administrator
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